

Premises and business operated by Tenant, which shall name Landlord and any Mortgagee as additional insureds as their respective interests may appear. The limits of such commercial general liability policy shall be not less than \$3,000,000 combined single limit for bodily injury and property damage, with a commercially reasonable deductible.

(c) Worker's Compensation Insurance. Tenant shall maintain workers' compensation insurance in statutory limits.

(d) Self-Insurance. Notwithstanding anything to the contrary contained herein, Tenant shall have the right to self-insure against any of the risks or portions thereof set forth in subparagraphs (a) and (b) (and to the extent then permitted by law, (c)) above, provided Tenant is still liable under this Lease and has a reported net worth, as of the end of Tenant's most recent quarterly reporting period, of not less than Seventy-Five Million Dollars (\$75,000,000), as computed in accordance with generally accepted accounting principles consistently applied.

(e) Common Area Liability Insurance. During the Term, Landlord shall keep (or cause to be kept) in full force and effect, in a form reasonably acceptable to Tenant, a policy of commercial general liability insurance with bodily injury and property damage insurance with respect to the Common Areas, which shall name Tenant as an additional insured. The limits of such policy shall be the same as those set forth in (b) above. The cost of the premium therefor shall be an element of CAM Charges,

provided that Tenant shall not be liable for its pro rata share of any premium for coverage in excess of that coverage which is customary among owners of like shopping centers in the St. Cloud, Minnesota metropolitan area.

(f) Policy Provisions. All policies of insurance (other than self-insurance) enumerated above shall be provided by insurance carriers with a Best rating of not less than B+.XV. Any insurance coverage enumerated above may be effected by a blanket policy or policies of insurance or under so-called "all risk" or "multi-peril" insurance policies, provided that the total amount of insurance available with respect to the Building and Tenant's or Landlord's liability hereunder shall be at least the equivalent of separate policies in the amounts herein required, and provided further that in other respects any such policy or policies shall comply with the provisions of this paragraph 14. An increased coverage or "umbrella" policy may be provided and utilized by either party to increase the coverage provided by individual or blanket policies in lower amounts, and the aggregate coverage provided by all such policies with respect to the Building and Tenant's or Landlord's liability hereunder shall be satisfactory provided that such policies otherwise comply with the provisions of this paragraph 14. It shall not be necessary for either party to deliver the original of any such blanket or other policy to the other, but the other party shall be furnished with a certificate or duplicate of such policy reasonably acceptable to such other party upon (i) commencement

of the Main Term (as to casualty insurance), (ii) upon delivery of the Land (as to liability insurance) and (iii) no less than annually thereafter.

(g) Waiver of Right of Recovery and Subrogation.

Landlord and Tenant hereby agree that to the extent that a loss is covered by insurance or is self-insured (with the deductible under any policy being deemed to be self-insured), they hereby waive any and all rights of recovery against each other for any loss or damage to the Premises or the contents contained therein, for loss of income on account of fire or other casualty, or for injury sustained on the Premises or the Common Areas; and each party's aforesaid policies of insurance shall contain appropriate provisions recognizing this mutual release and waiving all rights of subrogation by the respective insurance carriers.

(h) Evidence of Insurance. Subject to Tenant's right to self-insure hereunder, Tenant and Landlord shall cause to be issued to each other appropriate certificates of insurance evidencing compliance with the applicable covenants of this paragraph 14. Each such certificate shall provide that no expiration, cancellation or material change in the insurance evidenced thereby shall be effective unless thirty (30) days' unconditional notice of such expiration, cancellation or material change shall have been given to the certificate-holder (and any Mortgagee, if applicable) except with respect to cancellation due to non-payment of premium in which case then (10) days' unconditional notice shall be required.

(i) Indemnities. Except if arising from the negligent or willful acts of Landlord or Master Landlord or their respective agents or employees (to the extent that subparagraph (g) is inapplicable thereto), Tenant hereby agrees to indemnify Landlord from all claims, costs, liability, damage or expense, including attorneys' fees, for any death, damage or injury to persons or property occurring on the Premises or resulting from Tenant's use thereof.

Except if arising from the negligent or willful acts of Tenant or its agents or employees (to the extent that subparagraph (g) is inapplicable thereto), Landlord agrees to indemnify Tenant from any and all claims, costs, liability, damage or expense, including attorneys' fees, for any death, damage or injury to persons or property occurring in, on or around the Common Areas within Landlord's Premises or resulting from the use thereof by Landlord or Master Landlord or their respective agents or employees, provided, however, that should Landlord or any Affiliate of Landlord become the owner or ground lessee of, or in any manner control, the balance of the Shopping Center (or any portion thereof), then such indemnity shall also apply to such other portions of the Shopping Center.

15. Damages to the Premises by Fire or Other Casualty.

(a) Less Than Twenty-Five Percent (25%). In the event of fire, earthquake or other casualty, causing destruction or damage to the Building which has a repair and reconstruction cost of less than twenty-five percent (25%) of the then-total

replacement cost of the portion of the Building occupied by Tenant, this Lease shall not terminate except as expressly set forth herein, and Base Rent and other charges shall continue to be paid by Tenant pursuant to the terms of paragraph 4 hereof. Within a reasonable time after such casualty, subject to force majeure, applicable building codes, the procurement of building permits and the receipt of insurance proceeds to the extent of the damage to the Premises (unless Tenant self-insures), Tenant shall complete reconstruction of the Building as nearly possible to their condition and character immediately prior to such casualty, with such alterations as may be permitted under paragraph 12 hereof, and shall restore the Premises (including Tenant's equipment, furniture and fixtures). In the event, subject to force majeure, the Premises are not substantially repaired and reconstructed by Tenant within two hundred forty (240) days after receipt by Tenant of the required governmental permits for restoration with regard to such destruction or damage, for which permits Tenant shall make prompt application following such destruction or damage, then Landlord may, at its option, by giving written notice to Tenant within thirty (30) days after the expiration of said period, undertake completion of such reconstruction, in which event Tenant shall make available to Landlord for such reconstruction all applicable insurance proceeds (including any applicable deductible) or, if Tenant self-insures, the amount necessary for such reconstruction.

(i) Application of Funds. All insurance or (self-insurance) proceeds received on account of such damage or destruction, less the cost, if any, of such recovery, shall be applied pursuant to the terms of this Lease to the payment of the cost of such restoration, repair, replacement, rebuilding, or alteration (the "Work"), including expenditures made for temporary repairs or for the protection of property pending the completion of permanent restoration, repair, replacement, rebuilding, or alteration to the Building, and, if required by any Mortgagee, shall be held by such Mortgagee or a mutually agreeable third-party escrow agent (either of which is, for these purposes, the "Escrow Agent"), in an interest-bearing account in a federally insured financial institution, to be paid out, as provided below, from time to time (but no more often than once monthly), as the Work progresses, upon Tenant's written request, accompanied by a certificate of the architect or engineer in charge of the Work (the "Certificate"), dated not more than seven (7) days prior to such request, stating that the sum then requested either has been paid by Tenant or is justly due to the named contractors, subcontractors, materialmen, engineers, architects, or other persons (whose addresses shall also be stated) who have rendered services or furnished materials for certain portions of the Work. The Certificate shall give a brief description of such services and materials, shall list the several amounts so paid or owing to each of such persons, shall state the cost of the Work at the date of the requisition, and

shall state that no part of such expenditures has been or is being made the basis for any other request for payment. The Certificate shall state also that, except for the amounts listed therein, there is no outstanding indebtedness known to such architect or engineer, after due inquiry, for labor, wages, materials, supplies, or services in connection with the Work which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's, materialman's, or similar lien upon the Work or upon the Premises or any part thereof.

(ii) Disbursement. Upon compliance with the foregoing provisions of subparagraph 15(a)(i), the Escrow Agent shall pay, out of the escrowed funds, to the persons named in the Certificate the respective amounts stated to be due to them or shall pay to Tenant the amount stated to have been paid by Tenant; provided, however, that such payments shall not exceed in amount the cost of the relevant Work as stated in the Certificate. If the insurance proceeds or reconstruction funds paid by Tenant to the Escrow Agent exceed the amount required to pay the total cost of the Work, Tenant, after payment of all costs of the Work, shall be entitled to receive or retain, as applicable, such excess. If the insurance proceeds or reconstruction funds are less than the amount required to pay the total cost of the Work, Tenant shall be responsible for any such deficiency.

(b) Twenty-Five Percent (25%) or More. In the event of fire, earthquake or other casualty, causing destruction or

damage to the Building which has a repair and reconstruction cost of twenty-five percent (25%) or more of the then-total reconstruction cost of the portion of the Building occupied by Tenant), Tenant shall have the option of terminating this Lease. Tenant shall notify Landlord of its exercise of such option within sixty (60) days following the occurrence of such casualty and shall thereupon make available to Landlord all insurance proceeds or reconstruction costs as set forth in subparagraph (a) above. In the event Tenant does not elect to terminate this Lease as set forth above, then, subject to force majeure, within two hundred forty (240) days after receipt by Tenant of the required governmental permits for restoration with regard to such damage or destruction, for which permits Tenant shall make prompt application following such destruction or damage, Tenant shall complete reconstruction of the Building as nearly as possible to their condition and character immediately prior to such damage, with such alterations as may be permitted under paragraph 12, and shall restore the Premises (including Tenant's equipment, furniture and fixtures).

(c) Last Two (2) Years of Main Term or Option Period.

Notwithstanding the foregoing, if any such casualty loss occurs within the last two (2) years of the Main Term or of any Option Period and has a material impact on Tenant's ability to conduct business, as reasonably determined by Tenant, Tenant shall be under no obligation to restore the Building, in which case this Lease shall terminate at Tenant's option, and Landlord shall

receive the proceeds of any insurance (together with any applicable deductible) which may be payable with regard to such destruction or damage or, in the event Tenant self-insures, the amount necessary for reconstruction of the Building.

16. Condemnation.

(a) Definition of Taking and Substantial Taking. For the purpose of this Lease, a "Taking" shall mean any condemnation or exercise of the power of eminent domain by any authority vested with such power and any other taking for public use, including a private purchase in lieu of condemnation by an authority vested with the power of eminent domain; the "Date of Taking" shall mean the earlier of the date upon which title to the Premises, the Shopping Center or any portion thereof so taken is vested in the condemning authority or the date upon which possession of the Premises, the Shopping Center, or any portion thereof is taken by the condemning authority; and "Substantially All of the Premises" shall mean (i) so much of the Building as, when taken, leaves the untaken portion unsuitable, in Tenant's reasonable opinion, for the continued feasible and economic operation of the Premises (or the portion thereof occupied by Tenant) for the same purposes as immediately prior to such taking or as contemplated herein, (ii) so many of the parking spaces within the Shopping Center as reduces the parking ratio below the greater of five (5.0) spaces (for full-sized automobiles) per 1000 square feet of gross leasable area or that ratio which is required by the zoning ordinance applicable to the Shopping

Center, and Landlord's failure to provide substantially equivalent alternative parking reasonably acceptable to Tenant within sixty (60) days after such taking, or (iii) so much of the Common Area Easement described in paragraph 6 above that access to the Premises is impeded.

(b) Rights Upon Taking or Substantial Taking. In the event of a Taking of Substantially All of the Premises, Tenant may, at its option upon thirty (30) days' written notice to Landlord, which shall be given no later than sixty (60) days following the Taking, have the right to terminate this Lease. All Base Rent and other sums payable by Tenant hereunder shall be apportioned and paid through and including the Date of Taking, and neither Landlord nor Tenant shall have any rights in any compensation or damages payable to the other in connection with such condemnation.

(c) Rights Upon Less Than Substantial Taking. In the event of a Taking of less than Substantially All of the Premises, Base Rent and other charges shall be reduced fairly and justly in accordance with the portion condemned or taken, effective as of the Date of Taking, and Tenant shall make all necessary restorations to the Building and the Premises so that the portions of the Building and the Premises not taken constitute a complete architectural unit, provided that the cost thereof to Tenant shall not exceed the proceeds of Tenant's condemnation award (to the extent that such relates to the Premises and not to Tenant's personal property, intangibles or out-of-pocket expenses

unrelated thereto) and the portion of Landlord's award allocable to the Premises, which Landlord shall make available to Tenant for such restoration. If required by a Mortgagee, such awards shall be escrowed and disbursed in accordance with the procedure set forth in paragraph 15(a) above. If the Taking occurs within the last two (2) years of the Main Term or of any Option Period and has a material impact on Tenant's ability to conduct business as reasonably determined by Tenant, this Lease shall terminate at Tenant's option.

(d) Rights Upon Temporary Taking. In the event of a Taking of the Premises or any portion thereof, for temporary use, without the taking of the fee simple title thereto, this Lease shall remain in full force and effect, and the Taking shall not relieve Tenant from its duty and obligation fully and completely to keep, observe, perform, satisfy and comply with each and every agreement, term, covenant, condition, requirement, provision and restriction of this Lease. All awards, damages, compensation and proceeds payable by the condemnor by reason of such Taking for periods prior to the expiration of the Lease shall be payable to Tenant. All such awards, damages, compensation and proceeds for periods after the expiration of the Lease shall be payable to Landlord. Anything contained herein to the contrary notwithstanding, a temporary Taking for any period in excess of six (6) months may, at Tenant's option, be deemed a permanent Taking and shall be governed by (b) or (c) above, as applicable.

(e) Taking of the Pylon Sign(s). In the event of a taking, whether permanent or temporary, of any pylon sign (as contemplated by paragraph 8) on which Tenant has installed identification panels, Landlord shall provide a substitute site therefor, with adequate electrical power, located so as to be visible to vehicular traffic or roadways adjacent to the Shopping Center and/or at entrances to the Shopping Center.

(f) Tenant's Right Upon Condemnation. In the event of a Taking described in subparagraph (b) or (c) above, Tenant shall be entitled to claim compensation from the condemning authority for the value of its leasehold interest in the Premises, its unamortized leasehold improvements paid for by Tenant, relocation expenses and any other items to which Tenant is entitled under applicable law.

17. Assignment and Subletting. Tenant shall have the right, without the consent of Landlord, to sublet, assign, transfer and reassign all or any part of the Premises and any of Tenant's rights and obligations under this Lease during the Term, and Tenant shall remain liable for all of Tenant's obligations to Landlord arising hereunder. Tenant may also grant licenses and/or concessions without the consent of Landlord. Notwithstanding the foregoing, the Premises may not be used by any such sublessee, assignee, transferee, licensee or concessionaire for any use that violates paragraph 18(i)-(iii).

Any assignment of this Lease or subletting of all or a portion of the Premises shall be executed by the assignor or

sublessor and the assignee or sublessee. Each assignee shall, for the benefit of Landlord, agree to assume, be bound by, and perform all terms, covenants, and conditions of this Lease to be kept and performed by Tenant. After execution of the assignment or sublease, Tenant will forward a completed copy thereof to Landlord.

18. Use. Tenant shall initially maintain, use and operate approximately 33,000 square feet of the Premises for the sales, service, warehousing (and, if Tenant desires, installation in motor vehicles) of consumer, business and automotive electronics products, computer and related software, cellular telephones, household appliances and other related items ("Initial Use"). Tenant shall have the right to (a) thereafter use such 33,000 square feet of the Premises for any lawful use, and/or (b) at any time use the balance of the Premises for any lawful use; provided, however, that the Premises shall not be used (i) for any illegal purpose, (ii) for any use prohibited under paragraph 19(a)(viii) below, or (iii) in violation of any other applicable provision of the "Permitted Encumbrances" contained in Exhibit "F," as long as none of the foregoing prevent the Premises from being used from the Initial Use. Except as may be expressly set forth in this paragraph 18, nothing contained in this Lease shall be construed to require Tenant to operate the Premises continuously either for the use first stated or for any other use.

19. Warranties and Representations.

(a) Landlord represents, warrants and covenants to Tenant that:

(i) Quiet and Peaceful Enjoyment. Landlord and those persons executing this Lease on its behalf have the right and lawful authority to enter into this Lease and perform Landlord's obligations hereunder, and Landlord warrants and represents that, so long as Tenant is not in default hereunder beyond any applicable cure period, it shall have quiet and peaceful use, enjoyment and occupancy of the Premises. In furtherance of the foregoing but not in limitation thereof, the lease with the former tenant (i.e., K-Mart Corporation or affiliate thereof) of the Premises (such former tenant is hereafter called "K-Mart") has been terminated and such tenant has no rights in and to the Premises.

(ii) Title. Master Landlord owns the land comprising Tract I in fee simple absolute and Landlord owns all improvements on such land (including, without limitation, the Building) in fee simple absolute. The Shopping Center and Landlord's interest in Tract I are free and clear of any mortgages, deeds, declarations, agreements, leases, tenancies or restrictions, except those matters set forth on Exhibit "F" attached hereto and entitled "Permitted Encumbrances," or any other encumbrances which would restrict Tenant's use of the Premises for the sale of items specifically referred to in paragraph 18 hereof or would restrict in any respect the right of

Tenant, its employees, customers, and invitees to use the Common Areas in accordance with the terms of this Lease or would restrict the alterations and renovations to be performed by Tenant as contemplated under the terms of this Lease.

(iii) Certificate of Authority. Landlord covenants that it is a duly constituted limited partnership under the laws of the State of Pennsylvania, and that its general partner who is acting as its signatory in this Lease is duly authorized and empowered to act for and on behalf of the partnership. Landlord has furnished Tenant prior hereto with evidence of (a) the existence of the partnership, and (b) the authority of the general partner to bind the partnership as contemplated herein.

(iv) No Litigation. To the best knowledge and belief of Landlord, there are no judicial, quasi-judicial, administrative or other orders, injunctions, moratoria or pending proceedings against Landlord or the Shopping Center which preclude or interfere with, or would preclude or interfere with, the construction contemplated in paragraph 2 hereof or the occupancy and use of the Premises for the purposes herein contemplated.

(v) Hazardous or Toxic Materials. Landlord has not used, discharged, dumped, spilled or stored any Hazardous Substances (as defined in Exhibit "C") on or about the Shopping Center, whether accidentally or intentionally, legally or illegally, and has received no notice and has no knowledge of the

same. If any such Hazardous Substances are discovered on Tract I or any other portion of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord or any Affiliate of Landlord (unless introduced by Tenant, its agents or employees), all costs of removal incurred by, all liability imposed upon, or damages suffered by, Tenant because of the same shall be borne by Landlord, and Landlord hereby indemnifies and agrees to hold Tenant harmless from and against all such costs, liability and damages, including, without limitation, all third-party claims (including sums paid in settlement thereof, with or without legal proceedings) for personal injury or property damage, actions, administrative proceedings, judgments, compensatory and punitive damages, penalties, fines, costs, losses, attorneys' fees (through all levels of proceedings), consultants' or experts' fees and all costs incurred in enforcing this indemnity. This representation, warranty and indemnity shall survive the termination of this Lease.

(vi) Tenant's Exclusive Use. So long as any portion of the Premises are used for any of the uses constituting the Initial Use, no other tenant or occupant of Tract I shall be entitled to use its premises for the Initial Use (including, without limitation, the sale of consumer electronics and household appliances). If Landlord or any Affiliate of Landlord becomes the owner or ground lessee of, or in any manner controls, the balance of the Shopping Center (or any portion thereof), then, this exclusive shall apply thereto, subject to the rights

granted to any tenants under leases existence as of the date Landlord or Landlord's Affiliate becomes the owner or ground lessee of, or otherwise controls, the balance of the Shopping Center (or any portion thereof).

(vii) Zoning and Subdivision. The Premises and the Shopping Center are presently properly subdivided, in conformity with all applicable laws and zoned so as to permit (i) the development and operation of the Premises in accordance with the provisions of this Lease; and (ii) the initial use of the Premises described in paragraph 18 of this Lease.

(viii) Prohibited Activities. Landlord shall not operate or lease (or permit to be operated or leased) any building or tenant space in any portion of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord or any Affiliate of Landlord for use as (A) a bar, pub, nightclub, music hall or disco in which less than fifty percent (50%) of its space or revenue is devoted to or derived from food service, (B) a bowling alley, (C) a billiard or bingo parlor, (D) a flea market, (E) a massage parlor, (F) a funeral home, (G) a facility for the sale of paraphernalia for use with illicit drugs, (H) a facility for the sale or display of pornographic material (as determined by community standards for the area in which the Shopping Center is located), (I) an off-track betting parlor, (J) a carnival, amusement park or circus, (K) a gas station, car wash or auto repair or body shop (the parties specifically acknowledging that Tenant's car stereo installation

facility is not included in this prohibition (K)), (L) a facility for the sale of new or used motor vehicles, trailers or mobile homes, (M) any use which is illegal or dangerous, constitutes a nuisance or is inconsistent with an integrated, community-oriented retail and commercial shopping center, (N) a skating rink, (O) an arcade, pinball or computer gameroom (provided that retail facilities in the Shopping Center may operate or display for sale no more than four (4) such electronic games incidentally to their primary operations), (P) service-oriented offices (such as, by way of example, medical or employment offices, travel agencies, real estate agencies or dry cleaning establishments) or other nonretail uses except for offices and storage facilities incidental to a primary retail operation, (Q) a banquet hall, auditorium or other place of public assembly, (R) a training or educational facility (including, without limitation, a beauty school, barber college, reading room, school or other facility catering primarily to students or trainees rather than customers), (S) a theater of any kind, or (T) a gymnasium, sport or health club or spa. Landlord shall further not operate, lease or permit to be operated or leased any restaurant within any building on any portion of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord or an Affiliate thereof which abuts "Tenant's Preferred Area" (as shown on Exhibit "A-6") or which is located within three hundred (300) feet of the front entrance to

the Building. In addition, no auction, fire or going-out-of-business sale shall be conducted in the Shopping Center.

(ix) Site Covenants. With regard to the development of the Shopping Center and the uses and operations of the Common Areas, Landlord makes the following representations and warranties (the "Site Covenants"):

A. Building Height and Location. Subject to the applicable provisions of the REA, no building adjacent to the Premises now or hereafter owned, leased or otherwise controlled by Landlord or an affiliate of Landlord shall exceed twenty-eight (28) feet in height above finished grade, nor shall it be positioned so as to project beyond the portion of the front wall of the Building immediately adjacent thereto. No outparcels, barriers, buildings, kiosks or other structures, either temporary or permanent, shall be located within Tenant's Preferred Area, and, subject to the applicable provisions of the REA, no building located on an outparcel elsewhere in the Shopping Center shall exceed the size necessary in order for such outparcel to maintain, within its boundaries, the parking ratio required for its use under the applicable zoning code without use of parking spaces located in the Common Areas.

B. Construction and Alterations. Following the end of the First Lease Year, no construction shall be permitted within any portion of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord or an Affiliate of Landlord during the months of October, November and

December, except for interior alterations not affecting the operations of any other occupant of the Shopping Center and except for emergency repairs. In the event of any construction within any such portion of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord or an Affiliate of Landlord, a construction access route, staging and parking areas shall be designated so as to minimize interference with customers or the operations of other occupants of the Shopping Center, and safety barriers, as necessary, and an opaque wall shall be erected around the site of such construction. With regard to any construction on Landlord's Premises, Landlord shall be solely responsible for any governmentally imposed impact fees, hook-up, connection, installation or tap-in fees and other, similar construction-related charges. No changes shall be made in the Common Areas now or hereafter owned, leased or otherwise controlled by Landlord (including, without limitations, changes in the location of curbcuts, drive aisles, roadways, sidewalks or parking spaces or reduction of the parking ratio specified in paragraph 5) without Tenant's consent, which Tenant may, in its sole discretion, withhold.

C. Prohibited Uses in Common Areas.

Landlord covenants that it shall not, without Tenant's express written consent, permit the following uses or activities to occur in the Common Areas located in those portions of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord or any Affiliate of Landlord and shall use reasonable

efforts to prohibit such uses in the Common Areas located in the balance of the Shopping Center not owned, leased or otherwise controlled by Landlord or any Affiliate of Landlord: (1) advertisements or signs except for the pylon signs described in paragraph 8, the "for rent" signs described in paragraph 27 and traffic control signs; (2) display or sale of merchandise; (3) operation of loudspeakers or other sound electronically amplified so as to be heard in the Common Areas; or (4) imposition of a charge for parking. Landlord further covenants that it will not seek (and shall use reasonable efforts to prevent any other owners or occupant of the balance of the Shopping Center to seek) a variance or waiver from the minimum parking requirements applicable to the Shopping Center under the zoning code or other applicable ordinance establishing the ratio of parking spaces to building area or otherwise mandating the number of parking spaces required for the Shopping Center and the uses contained therein. Parking by employees of Tenant, Landlord and other occupants of those portions of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord shall be in designated "employee parking" areas, the location of which shall be agreed upon by Landlord and Tenant.

(x) Interference with Tenant's

Reception/Transmission. Landlord shall not install or permit to be installed by Landlord, any other tenant or other person anywhere in Tract I, any radio transmitting equipment which would cause any interference with radio or television reception or

transmission in or from the Building, and, with respect to the balance of the Shopping Center, Landlord shall use reasonable efforts to prevent such installation and/or interference.

(xi) Notices Affecting the Premises. Landlord shall promptly forward to Tenant any notice or other communication affecting the Premises or the Shopping Center, received by Landlord from any owner of property adjoining, adjacent or nearby to the Premises or the Shopping Center or from any municipal or governmental authority, in connection with any hearing or other administrative procedure relating to the use of the Premises, Shopping Center or any such neighboring property.

(xii) Constructive Trust. Landlord covenants that all sums paid by Tenant to Landlord and intended for payment by Landlord to a third party (such as, by way of example, taxes and certain elements of CAM Charges) are given to Landlord in trust and shall be applied only for such third-party payments, as and when due.

(xiii) REA. With respect to the REA, Landlord represents, warrants, covenants and agrees that: (A) the REA is in full force and effect without any changes, modifications or amendments thereto; (B) the REA does not prohibit, prevent or interfere with the Initial Use; (C) to the best of Landlord's knowledge, no party to the REA is in default thereof; (D) the REA does not prohibit, interfere or restrict the construction or operation of the Circuit City Superstore; (E) Landlord shall not agree to any modifications, changes or amendments to, or the

termination of, the REA without Tenant's approval, which approval shall not be unreasonably withheld, except with respect to any modifications, changes or amendments relating to the layout of the Common Areas (including, without limitation, the parking areas, traffic flow and ingress/egress patterns to public streets) lighting, use restrictions, parking ratio, height restrictions, expansion of existing or construction of new buildings, structures, kiosks or other improvements (temporary or permanent), or any other modification, change or amendment which may adversely affect or impair access to or from, or visibility of, the Premises or the operation of Tenant's business at the Premises, in which event Tenant's approval may be withheld in its sole and absolute discretion; (F) in the event Landlord is requested to grant its consent or approval with respect to a request from another owner subject to the REA, Landlord shall not grant (either by Landlord's act or failure to act) any consent or approval to Tenant without first sending such request to Tenant, and Tenant shall have the right to direct Landlord whether or not to grant its consent or approval to such request; (G) Landlord shall send to Tenant immediately any and all notices received by or sent by Landlord under the REA; and (H) Tenant, at its option and at its expense, shall be permitted, either in its name or in the name of Landlord, to exercise and/or enforce any rights and/or remedies that Landlord has under the REA.

(xiv) Master Lease. (A) Landlord is the ground lessee of the Land under the Master Lease and a complete

copy of the Master Lease (together with any and all modifications and amendments thereto, if any) is attached hereto as Exhibit "K", (B) the Master Lease is valid and binding and in full force and effect, (C) the Master Lease expires no sooner than what will be the day following the last day of the last Option Period hereunder, (D) neither Landlord nor Master Landlord is in default under the Master Lease with or without regard to the giving of notice or the extension of time or both, (E) Landlord has obtained (or shall obtain within the time periods permitted herein) the written consent and approval of Master Landlord to terminate the K-Mart lease and enter into this Lease pursuant to the terms hereof which consent and approval shall be in form and substance substantially similar to the form attached hereto as Exhibit "L", and (F) Landlord shall not do any act or fail to do any act during the term of this Lease which would constitute a violation of the Master Lease or otherwise cause Landlord to be in breach or default thereunder.

(b) Tenant represents, warrants and covenants to Landlord that:

(i) Tenant's Authority. Tenant is a duly constituted corporation organized under the laws of the Commonwealth of Virginia; it has the power to enter into this Lease and perform Tenant's obligations hereunder; and the Vice President executing this Lease on Tenant's behalf has the right and lawful authority to do so.

(ii) Tenant's Warranty as to Hazardous or Toxic Materials. As to Tenant's use and occupancy of the Premises and use of the Common Areas, Tenant will not introduce, discharge, dump, spill or store within the Premises or the Shopping Center any Hazardous Substances; and Tenant indemnifies and agrees to hold Landlord harmless from and against all costs, liability and damages as a result thereof, to the same extent that Landlord indemnifies and holds Tenant harmless in subparagraph (a)(v) above. This warranty and indemnity shall survive the termination of this Lease.

(c) In the event there is a condition at variance with the foregoing representations and warranties of Landlord which prevents or in any material way inhibits the use of the Premises or any part thereof or the Common Areas for their intended purposes by Tenant or Tenant's employees, licensees, agents, suppliers, customers or invitees, or if Landlord shall default in the observance or performance of any of the foregoing representations and warranties, then, in addition to such other remedies as may be accorded Tenant at law, in equity or under the terms of this Lease, Tenant may, after thirty (30) days' notice to Landlord, obtain an injunction or writ of specific performance to enforce such term or covenant, the parties hereby acknowledging the inadequacy of Tenant's legal remedy and the irreparable harm which would be caused to Tenant by any such default. Landlord shall be entitled to a corresponding remedy for breach of Tenant's warranty regarding Hazardous Substances.

20. Estoppel Certificates. Without charge, at any time and from time to time hereafter, within ten (10) days after receipt of written request by either party, the other party shall certify, by written and duly executed instrument, to any present or proposed mortgagee, purchaser, sublessee or assignee, any other individual, partnership, corporation, trust, unincorporated association or joint venture, government or any department or agency thereof, or any other entity ("Person") specified in such request: (a) as to whether this Lease has been supplemented or amended, and, if so, the substance and manner of such supplement or amendment; (b) as to the validity, force and effect of this Lease, in accordance with its tenor as then constituted, to the best knowledge of the party so certifying; (c) as to the existence of any default thereunder, to the certifying party's best knowledge; (d) as to the existence of any offsets, counterclaims, or defenses thereto on the part of such other party, to the certifying party's best knowledge; (e) as to the commencement and expiration dates of the Term; and (f) as to any other matters which may reasonably be so requested. Without any charge, at any time and from time to time hereafter, within ten (10) days after receipt of written request by Tenant, Landlord shall certify and shall use reasonable efforts to cause Master Landlord to certify by a written and duly executed instrument, as to the matters set forth in clauses (a) to (f) above with respect to the Master Lease. Any such certificate may be relied upon by the party requesting it and any person to whom the same may be

exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

21. Subordination, Nondisturbance and Attornment.

(a) This Lease shall be subject and subordinate to the lien of any and all Mortgages (as defined below) now or hereafter encumbering the Premises to all renewals, modifications, replacements and extensions of such Mortgages; provided, however, that the subordination herein contained shall not be effective with respect to any Mortgage unless the Mortgagee (as defined below) shall execute and deliver a subordination, nondisturbance and attornment agreement, in form satisfactory to Tenant, providing that, in the event the Mortgage shall be foreclosed or the Mortgagee shall accept a deed in lieu thereof (either of which events shall be a "Foreclosure"), so long as Tenant shall not then be in default beyond any cure period provided herein, so long as Tenant shall attorn to the Mortgagee or purchaser upon Foreclosure, (i) the Lease shall not terminate by reason of such Foreclosure, (ii) Tenant's possession of the Premises shall not be disturbed, (iii) the Mortgagee or purchaser upon such Foreclosure, its or his successors or assigns, shall recognize Tenant and all its rights hereunder and shall be obligated to fully and completely perform Landlord's duties and obligations under this Lease arising from and after the date of such Foreclosure, (iv) Tenant shall not be named as a party in any action for Foreclosure, and (v) the Mortgagee, whether or not the Mortgage is foreclosed, shall make all net proceeds arising from

casualty or condemnation loss to the Premises available to Tenant for restoration of the Building in accordance with the terms hereof. Landlord agrees that it shall obtain in form and substance acceptable to Tenant a nondisturbance and attornment agreement from all existing Mortgagees and a recognition agreement from Master Landlord prior to or simultaneously with the execution hereof, as set forth in paragraph 37(b) below, provided, however, that Landlord shall have a period of fifteen (15) days after Lease execution to obtain an executed nondisturbance and attornment agreement from the Prudential Insurance Company of America. As used in this Lease, (i) the term "Mortgage" shall mean any mortgage, deed to secure debt, deed of trust, trust deed or other collateral conveyance of, or lien or encumbrance against, Tract I (or any portion thereof or any of the improvements thereon), or against Landlord's interest in, to or under the Master Lease, and (ii) the term "Mortgagee" shall mean the holder of any Mortgage. Examples of a nondisturbance and attornment agreement from the holder(s) of the Mortgage(s) encumbering the land and from the holder of the Mortgage encumbering the buildings and improvements and a recognition agreement from Master Landlord acceptable to Tenant are attached hereto and made a part hereof as Exhibit "G-1", "G-2" and "G-3", respectively.

(b) As a part of such subordination, nondisturbance and attornment agreement which Tenant agrees to execute from time to time during the Term, if requested by any Mortgagee, Tenant shall agree to provide to such Mortgagee (simultaneously with notice to Landlord) notice of Landlord's defaults and the same periods for such Mortgagee to cure such defaults as those provided Landlord herein, together with such agreements as are

typically found in nondisturbance and attornment agreements with institutional lenders as may be satisfactory to Tenant.

(c) Landlord shall obtain or cause to be obtained for the benefit of Tenant from any future holder of any Mortgage placed upon Tract I (or any portion thereof or any of the improvements thereon) or any other portion of the Shopping Center now or hereafter owned, leased or otherwise controlled by Landlord or an Affiliate of Landlord, a nondisturbance and attornment agreement by such Mortgagee in the form and substance as contained in Exhibit "G-1."

22. Change of Landlord. In the event the Landlord's interest in the Premises passes to a successor ("Successor") by sale, lease, foreclosure or in any other manner, Tenant shall be bound to the Successor under all of the terms of this Lease for the balance of the Term with the same force and effect as if the Successor were the Landlord under the Lease, and the Tenant hereby agrees to attorn to the Successor as its Landlord, such attornment to be effective upon written notice thereof given by Landlord to Tenant, but without the execution of any further instrument on the part of either of the parties hereto immediately upon the Successor's succeeding to the interest of Landlord under the Lease; provided, however, that in order for the foregoing to be effective against Tenant, such Successor must be bound to Tenant in respect of all of Landlord's duties and obligations hereunder, such binding effect on the Successor to be effective and self-operative without the execution of any further

instrument on the part of either of the parties hereto (except notice as required above), immediately upon the Successor's succeeding to the interest, duties and obligations of Landlord under this Lease. In the event that Landlord's interest in the Premises passes to a Successor and such Successor is bound unto Tenant as set forth above, Landlord shall be released from all obligations to Tenant hereunder arising after the date Landlord's interest so passes except that Landlord agrees to indemnify and hold Tenant harmless from and against all claims, loss or damage suffered by Tenant as a result of Landlord's failure to provide Tenant with notice of such Successor.

23. Tenant's Financing. Tenant may, from time to time, provided that Tenant is not then in default hereunder beyond the applicable cure period, secure financing or general credit lines and grant the lenders thereof, as security therefor, (i) a security interest in Tenant's fixtures, personalty, inventory and equipment (collectively, "Personalty"), (ii) the right to enter the Premises to realize upon any Personalty so pledged, and/or (iii) a collateral assignment of Tenant's leasehold interest in the Premises, with rights of reassignment; provided, however, such collateral assignment may be made solely for the purpose of securing Tenant's indebtedness. If Tenant is not then in default hereunder beyond the applicable cure period, Landlord agrees, upon written request by Tenant, to evidence Landlord's consent in writing to such security interest and assignment, and to give such lenders the same notice and opportunity to cure any default

of Tenant as is provided Tenant hereunder (including time to foreclose or otherwise take possession of the Premises, if necessary to effect such cure). In addition, Landlord agrees to cause any Mortgagee specifically to acknowledge the rights of Tenant's lenders described herein and in paragraph 24 below.

24. Tenant's Property and Waiver of Landlord's Lien. All of the Personalty shall be and remain the personal property of Tenant, removable by Tenant any time prior to, or within thirty (30) days after, the expiration or earlier termination of this Lease and shall be so removed by Tenant at the request of Landlord within thirty (30) days after the expiration or termination of this Lease. Those improvements that are integrated into the physical structure of the Building shall not be removed and shall become the property of Landlord. (A nonexclusive list of Tenant's removable trade fixtures is attached hereto as Exhibit "D.") Tenant agrees promptly to repair any damage to the Premises occasioned by the removal of Tenant's trade fixtures, furnishings and equipment (except for small holes caused by nails, fasteners and the like) and to surrender the Premises broom clean, in as good condition as on the date of Tenant's opening for business therein, ordinary wear and tear, casualty and condemnation excepted. Landlord expressly waives its statutory or common law landlord's lien and any and all rights granted under any present or future laws to levy or distrain for rent (whether in arrears or in advance) against the aforesaid property of Tenant on the Premises and further agrees

to execute any reasonable instruments evidencing such waiver, at any time or times hereafter upon Tenant's request. If any such lien is imposed upon the Personalty by operation of law, Landlord agrees that such lien shall be subordinate to the lien of any security interest described in paragraph 23 above, provided that such security interest was granted at a time when Tenant was not in default hereunder beyond any applicable cure period.

25. Memorandum of Lease; Commencement Date Agreement.

Landlord agrees, at Tenant's request and Tenant's sole expense, to execute a Memorandum of Lease in recordable form, substantially similar to that attached hereto as Exhibit "H," setting forth such provisions hereof as may be required by Minnesota law. In addition, Landlord and Tenant shall execute a Commencement Date Agreement in the form attached hereto as Exhibit "I," once the Rent Commencement Date has been established. Recording costs for either or both documents shall be borne by the party requesting recordation of the same.

26. Holding Over. Tenant agrees that at the expiration of this Lease, it will deliver to Landlord peaceable possession of the Premises. No holding over by Tenant nor acceptance of Base Rent or other charges by Landlord shall operate as a renewal or extension of the Lease without the written consent of Landlord and Tenant. Should Tenant hold over without the consent of Landlord, this Lease shall continue in force from month to month, subject to all of the provisions hereof, provided, however, that commencing with the second month of such holdover tenancy,

monthly Base Rent shall increase to 150% of monthly Base Rent Tenant had been paying during the preceding Lease Year.

27. "For Rent" Signs. Tenant hereby permits Landlord during the last ninety (90) days of the Main Term or of any Option Period, as the case may be (provided that no applicable Renewal Option has been exercised or deemed exercised), to place one (1) "For Rent" or "For Sale" sign, not exceeding four (4) feet by four (4) feet in size, on the parking lot of the Shopping Center. Tenant will also allow Landlord or its agents, accompanied by a representative of Tenant designated by Tenant, to show the Premises, exterior and interior, to prospective tenants, purchasers, or mortgagees during reasonable business hours by prior appointment, provided same does not interfere with the conduct of Tenant's business.

28. Force Majeure. Except as otherwise specifically contemplated in paragraph 4 of Exhibit "C," in the event that Landlord or Tenant shall be delayed or hindered in, or prevented from, the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, delay by the other party, failure of power, riots, insurrection, war or other reason of a like nature not the fault of such party or not within its control, then performance of such act shall be excused for the period of delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, that in connection with the construction of the Circuit City

Superstore, the consequences of delays by the other party shall be governed by paragraph 4 of Exhibit "C."

29. Events of Tenant's Default. Any of the following occurrences, conditions or acts by Tenant shall constitute an "Event of Default" under this Lease:

(a) Failure to Pay Rent; Breach. (i) Tenant's failure to make any payment of money required by this Lease (including without limitation Base Rent, CAM Charges or taxes) within ten (10) days after the receipt of written notice from Landlord to Tenant that same is overdue; or (ii) Tenant's failure to observe or perform any other material provision of this Lease within thirty (30) days after receipt of written notice from Landlord to Tenant specifying such default and demanding that the same be cured; provided that, if such default cannot with due diligence be wholly cured within such thirty (30) days, Tenant shall have such longer period as is reasonably necessary to cure the default, so long as Tenant proceeds promptly to commence the cure of same within such thirty (30) day period and diligently prosecutes the cure to completion and provided further that in the case of an emergency, Landlord shall be required to give only such notice as is reasonable under the circumstances.

(b) Bankruptcy. (i) Tenant's adjudication as bankrupt or insolvent, or the appointment of a receiver, trustee in involuntary bankruptcy or other, similar officer to take charge of any substantial part of Tenant's property, which proceeding is not dismissed within one hundred twenty (120) days after it is

begun; or (ii) Tenant's voluntarily filing a petition in bankruptcy or for reorganization under any existing or future provisions of the Bankruptcy Code, providing a plan for a debtor to settle, satisfy or extend the time for the payment of debts; or (iii) Tenant's voluntary assignment for the benefit of its creditors; if, as a result of any of the foregoing occurrences, the covenants to be performed by Tenant under this Lease (including the covenant to pay rent) are not being performed by Tenant or a party claiming through Tenant.

30. Landlord's Remedies. After the occurrence of an Event of Default, Landlord shall have the right to exercise the following remedies:

(a) Continue Lease. Landlord may, at its option, continue this Lease in full force and effect, without terminating Tenant's right to possession of the Premises, in which event Landlord shall have the right to collect Base Rent and other charges when due, including any due for any Option Period for which a Renewal Option has been exercised. In the alternative, Landlord shall have the right to peaceably re-enter the Premises on the terms set forth in subparagraph (b) below, without such re-entry's being deemed a termination of the Lease or an acceptance by Landlord of a surrender thereof. Landlord shall also have the right, at its option, from time to time, without terminating this Lease, to relet the Premises, or any part thereof, with or without legal process, as the agent, and for the account, of Tenant upon such terms and conditions as Landlord may

deem advisable, in which event the rents received on such reletting shall be applied (i) first to the reasonable and actual expenses of such reletting and collection, including without limitation necessary renovation and alterations of the Premises, reasonable and actual attorneys' fees, any reasonable and actual real estate commissions paid, and (ii) thereafter toward payment of all sums due or to become due Landlord hereunder. If a sufficient sum to pay such expenses and sums shall not be realized or secured, in Landlord's exercise of reasonable efforts to mitigate its damages, (which Landlord hereby agrees to make), then Tenant shall pay Landlord any such deficiency monthly, and Landlord may bring an action therefor as such monthly deficiency shall arise. Nothing herein, however, shall be construed to require Landlord to re-enter and relet in any event, except as provided by Minnesota law. The Landlord shall not, in any event, be required to pay Tenant any sums received by Landlord on a reletting of the Premises in excess of the rent provided in this Lease, but such excess shall reduce any accrued present or future obligations of Tenant hereunder. Landlord's re-entry and reletting of the Premises without termination of this Lease shall not preclude Landlord from subsequently terminating this Lease as set forth below.

(b) Terminate Lease. Landlord may terminate this Lease by written notice to Tenant specifying a date therefor, which shall be no sooner than twenty (20) days following receipt of such notice by Tenant, and this lease shall then terminate on

the date so specified as if such date had been originally fixed as the expiration date of the Term. In the event of such termination, Landlord shall be entitled to recover from Tenant all of the following:

(i) The "worth at the time of award" (defined below) of any obligation which has accrued prior to the date of termination;

(ii) The worth at the time of the award of the amount by which the unpaid Base Rent and all other charges which would have accrued after termination until the time of award exceeds the amount of any sums which Landlord has (or Tenant proves that Landlord could have) received in mitigation. As used in this subparagraph 30(b), the term, "worth at the time of the award," shall be computed by allowing interest at the Default Rate on the amount of the obligations set forth therein. In the event this Lease shall be terminated as provided above, by summary proceedings or otherwise, Landlord, its agents, servants or representatives may immediately or at any time thereafter peaceably re-enter and resume possession of the Premises and remove all personalty and property therefrom, either by summary dispossession proceedings or by other suitable action or proceeding at law without liability for damages therefor.

(c) Reimbursement of Landlord's Costs in Exercising Remedies. Landlord may recover from Tenant, and Tenant shall pay to Landlord upon demand, such reasonable and actual expenses as Landlord may incur in recovering possession of the Premises,

placing the same in good order and condition and repairing the same for reletting, all other reasonable and actual expenses, commissions and charges incurred by Landlord in exercising any remedy provided herein or as a result of any Event of Default by Tenant hereunder (including without limitation reasonable attorneys' fees), and any other amount necessary to compensate Landlord for any detriment proximately caused by Tenant's failure to perform its obligations under this Lease.

(d) Remedies Are Cumulative. The various rights and remedies reserved to Landlord herein, including those not specifically described by law in force and effect at the time of the execution hereof, are cumulative, and Landlord may pursue any and all such rights and remedies, whether at the same time or otherwise.

31. Events of Landlord's Default; Tenant's Remedies. Any of the following occurrences, conditions or acts by Landlord shall constitute an "Event of Default": (a) Landlord's failure to make any payments of money due Tenant hereunder within ten (10) days after the receipt of written notice from Tenant that same is overdue; or (b) Landlord's failure to perform any nonmonetary obligation of Landlord hereunder within thirty (30) days after receipt of written notice from Tenant to Landlord specifying such default and demanding that the same be cured; provided that, if such default cannot with due diligence be wholly cured within such thirty (30) days, Landlord shall have such longer period as may be reasonably necessary to cure the default, so long as

Landlord proceeds promptly to commence the cure of same within such thirty (30) day period and diligently prosecutes the cure to completion) and provided further that in the case of an emergency, Tenant shall be required to give only such notice as is reasonable under the circumstances.

Upon the occurrence of an Event of Default, at Tenant's option, in addition to any other remedies which it may have, and without its actions being deemed a cure of Landlord's default, Tenant may do all or any of the following: (i) pay or perform such obligations and offset Tenant's reasonable and actual cost of performance, plus interest at the Default Rate, against the Base Rent, CAM Charges and other charges due Landlord hereunder or (ii) withhold Base Rent, CAM Charges and any other payments due to Landlord under this Lease until such Event of Default is cured by Landlord, or (iii) terminate this Lease and sue for damages. Notwithstanding the foregoing, if Landlord fails to pay Tenant the Repair Allowance in a timely manner, Tenant shall be entitled to the rights and remedies set forth in Exhibit "C" in addition to those provided herein; and, as to a breach of the warranties and representations contained in paragraph 19, Tenant shall be entitled to the remedies provided therein.

32. Waiver. If Landlord or Tenant fails to insist on the strict observance by the other of any provisions of this Lease, neither shall thereby be precluded from enforcing nor be held to have waived any of the obligations, past, present and future, of this Lease. Either party may accept late payment or performance

by the other without waiving any Event of Default which may then have accrued.

33. Compliance with Applicable Laws. During the Term, to the extent that the Premises are affected thereby, Tenant shall comply with all lawful requirements of the local, county and state health boards, police and fire departments, municipal and state authorities and any other governmental authorities with jurisdiction over the Building, and of the board of fire underwriters, respecting Tenant's unique and special use of the Building, and Landlord shall be responsible for complying with all other lawful requirements, at Landlord's sole cost and expense. If Tenant, after notice from Landlord or any such authority ordering performance of any such work which Tenant is required to perform in order to remain in, or come into, compliance with any such requirement, fails to perform same with reasonable promptness, Landlord may perform said work and collect the reasonable cost thereof plus interest at the Default Rate from Tenant with the next installment or installments of Base Rent, after thirty (30) days' prior written notice to Tenant (except in the case of an emergency, in which event only such notice as is reasonable under the circumstances shall be required) and Tenant's failure to cure or commence to cure during such thirty (30) days and diligently prosecute the cure to completion.

34. Notices. Any notice permitted or required to be given pursuant to this Lease shall be deemed to have been given three

(3) business days after mailing a written notice by certified mail, postage prepaid, return receipt requested, or one (1) business day after sending by Federal Express or other comparable overnight express courier service (with proof of receipt available), addressed to the parties as follows:

If to Tenant: CIRCUIT CITY STORES, INC.
9950 Mayland Drive
Richmond, Virginia 23233
Attn: Corporate Secretary

with a copy to: CIRCUIT CITY STORES, INC.
9950 Mayland Drive
Richmond, Virginia 23233
Attn: Vice President of Real Estate

If to Landlord: St. Cloud Associates
c/o Adam Kauffman
1521 Locust Street, 5th Floor
Philadelphia, PA 19102

or to such other addressees as any party hereto shall from time to time give notice thereof to any other party.

35. Brokers. Landlord and Tenant each covenant that they have not dealt with any real estate broker or finder with respect to this Lease, except for Roger Lenahan of the Cambridge Group and John Johansson of The Welsh Companies (the "Brokers") who shall equally split any and all commissions paid or payable by Landlord, Tenant and K-Mart in connection with or in any way related to the real estate transaction of which this Lease is a part (such commissions, in the aggregate, is hereinafter referred to as the "Total Commission"). Tenant shall contribute Sixty-Six Thousand Dollars (\$66,000) towards the Total Commission and Landlord and/or K-Mart shall also contribute a combined total of at least Sixty-Six Thousand Dollars (\$66,000) such that the Total Commission shall equal at least One Hundred Thirty-Two Thousand Dollars (\$132,000) and each of the Brokers shall receive at least Sixty-Six Thousand Dollars (\$66,000). Any additional amount which has been or is hereafter paid by either Landlord, Tenant or K-Mart to either of the Brokers shall be deemed part of the Total Commission and split evenly between the Brokers. Each of the Brokers have executed this Lease for the sole purpose of indicating their consent and agreement to the provisions of this Paragraph 35. Except for the foregoing, Landlord and Tenant shall each hold the other harmless from all damages, claims, liabilities or expenses, including reasonable and actual attorneys' fees (through all levels of proceedings), resulting from any claims that may be asserted against the other party by

any real estate broker or finder with whom the indemnifying party has or purportedly has dealt.

36. Miscellaneous.

(a) Headings and Gender. Any paragraph headings, titles or captions contained in this Lease are for convenience only and shall not be deemed a part of this Lease and shall not in any way limit or amplify the terms and provisions of this Lease. The masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others whenever the context so requires or indicates.

(b) Construction. The parties hereto agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof.

(c) Waiver of Jury Trial. In the event of any court action arising out of this Lease, each party hereby expressly waives its right to trial by jury.

(d) Relationship of Landlord-Tenant. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant other than the landlord-tenant relationship.

(e) Entire Agreement; Merger. This Lease, including all exhibits hereto (which are hereby incorporated herein by reference), covers, in full, each and every final agreement of

every kind and nature whatsoever between the parties hereto concerning the subject matter of this Lease, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. This Lease cannot be changed or modified in any manner other than a written amendment or modification executed by Landlord and Tenant.

(f) Attorneys' Fees. In the event either party shall be required to commence or defend any action or proceeding against any other party by reason of any breach or claimed breach of any provision of this Lease, to commence or defend any action or proceeding in any way connected with this Lease or to seek a judicial declaration of rights under this Lease, the party prevailing in such action or proceeding shall be entitled to recover from or to be reimbursed by the other party for the prevailing party's reasonable and actual attorneys' fees and costs through all levels of proceedings.

(g) Partial Invalidity. If any provision of this Lease or the application thereof to any person or circumstance shall be deemed invalid or unenforceable, the remainder of this Lease and its application to other persons or circumstances shall not be affected by such partial invalidity but shall be enforced to the fullest extent permitted by law.

(h) Consents. Any consent or approval granted by either party hereunder shall be deemed a consent or approval only as to the matter on which such consent or approval was requested and shall not waive the consenting or approving party's right to

give or withhold consent or approval to any subsequent matter. If Landlord's consent or approval is required for any reason or under any circumstances pursuant to the terms of this Lease, such consent or approval shall not be unreasonably withheld or delayed or conditioned, unless otherwise specifically provided herein. In the event Landlord fails to consent to or approve of, or to not consent to or to disapprove of, any item requiring consent or approval pursuant to the Lease within fourteen (14) days following Tenant's request, Landlord shall be deemed to have consented to or approved same.

(i) Holidays. If the day on which rent is payable falls on a Sunday or on a legal holiday, it shall be payable on the following business day.

(j) Applicable Law. This Lease shall be construed in accordance with the laws of the State of Minnesota, and the parties agree that jurisdiction shall lie therein.

(k) Successors and Assigns. All rights, obligations and liabilities herein given to or imposed upon any party hereto shall extend to the permitted successors and assigns of such party. Any reference in this Lease to Master Landlord shall mean the current "landlord" under the Master Lease and its successors and assigns.

(l) Definition of Affiliate. For the purposes of the Lease, the term "Affiliate" shall mean Landlord's parent or any division, subsidiary or affiliate of Landlord or Landlord's parent, or any other entity under common control or ownership as or any limited or general partner of Landlord or any combination thereof

Landlord, Landlord's parent or any successor to any of the aforesaid.

(m) Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original when exchanged, and all of the counterparts taken together shall constitute one and the same Lease.

37. Effectiveness of Lease; Tenant's Right to Terminate. Notwithstanding the execution of this Lease or any provision hereof to the contrary, the parties hereto agree that the effectiveness of this Lease is expressly conditioned upon the complete satisfaction (or waiver) of each and all of the following conditions:

(a) Tenant's receipt, simultaneously with execution hereof, of (i) Landlord's most current policy or commitment of title insurance for the Shopping Center; (ii) copies of all underlying documents referred to in said title policy or commitment; and (iii) Landlord's most current survey and aerial photograph, if available, of the Shopping Center; all of which shall be approved or disapproved by Tenant in writing within thirty (30) days after receiving all of said documents. Landlord further agrees, at Tenant's request, to execute title affidavits typically and reasonably required by Tenant's title insurer in connection with Tenant's application for and the issuance of its leasehold title policy.

(b) Landlord's delivery of fully executed nondisturbance and attornment agreements and recognition

agreements as contemplated by Paragraph 21(a) executed by any and all existing ground lessors and Mortgagees (including, without limitation, Master Landlord, State National Bank of Maryland and the Prudential Insurance Company of America) in form and substance satisfactory to Tenant prior to or simultaneously with the execution hereof, provided, however, Landlord shall have a period of fifteen (15) days after execution of this Lease to deliver the nondisturbance and attornment agreement to be executed by Prudential Insurance Company of America.

(c) Landlord's delivery of the Premises to Tenant by the date and in the condition specified in Exhibit "C."

(d) Tenant's obtaining (i) written confirmation from appropriate local authorities, by January 1, 1994, that site plan approval, public access and building permit approvals can be obtained and any required specific use permits or any other permits or approvals required to renovate and develop the Premises as contemplated in this Lease can be obtained; and (ii) the required City, County and State permits and approvals to construct and/or renovate the Building as contemplated in this Lease no later than January 1, 1994. Tenant agrees to apply for such permits promptly as provided herein, to use due diligence and to expend any necessary application or other fees to secure such permits and approvals; provided, however, that the foregoing shall not be deemed to require Tenant to initiate litigation or to agree to any conditions imposed upon issuance of any such permit or approval.

(e) Landlord's representations, warranties and covenants, as set forth in paragraph 19 herein, being true and accurate as of the date of delivery of the Land.

(f) Prior to delivery of the Premises to Tenant, Tenant's obtaining from Landlord copies of soils and Hazardous Substances reports satisfactory to Tenant.

(g) Tenant's obtaining satisfactory assurances, within thirty (30) days of execution hereof, that adequate utility services (including gas, electricity, telephone, domestic water, fire protection water, storm sewer and sanitary sewer) are available for connection at the Premises or in close proximity thereto.

(h) Landlord's delivery to Tenant, within seven (7) days after the execution of this Lease, of the lease termination agreement between Landlord and K-Mart wherein K-Mart has terminated its lease for the Premises and relinquishes any and all of its rights in and to the Premises and a written consent and approval (as contemplated by Paragraph 19(a)(xiv)), executed by Master Landlord, authorizing the termination of K-Mart lease and the execution of this Lease.

(i) Landlord's delivery to Tenant, within seven (7) days after execution of this Lease, of a binding commitment letter, or other evidence reasonably satisfactory to Tenant, that Landlord has obtained financing adequate to fund "Landlord's Work" (as defined in Exhibit "C") and the Repair Allowance.

(j) Landlord's delivery to Tenant prior to or simultaneously with the execution hereof, an estoppel certificate executed and acknowledged by Master Landlord, in recordable form, and in form and substance substantially similar to the form

estoppel certificate attached hereto and made a part hereof as Exhibit "M", certifying that the Master Lease is unmodified and in full force and effect (or if there have been modifications, that it is in full force and effect as modified and stating the modifications), and the dates to which minimum rent and other charges have been paid in advance, if any, and stating that neither party is in default in the performance of any covenant, agreement or condition contained in the Master Lease (or, if there is a default, specifying each such default).

The existence of the foregoing conditions is solely for the benefit of Tenant, which may waive any such condition at its sole discretion by delivering to Landlord a written notice signed by Tenant which states the condition(s) being waived by Tenant:

Notwithstanding any other provision in this Lease to the contrary, in the event any of the foregoing conditions shall not be met, satisfied or waived, the parties hereto expressly agree that Tenant shall have the right to terminate this Lease in its sole and absolute discretion at any time prior to the satisfaction or waiver of any such condition by delivering to Landlord a written notice signed by Tenant which states that Tenant is terminating this Lease on account of the failure of one or more of the foregoing conditions. In the event of any such termination, the rights and obligations of the parties shall be of no further force and effect (and the parties shall have no further liability except that the indemnification set forth in

Paragraph 14(i) hereof shall survive such termination) upon Tenant's delivery of said notice to Landlord.

38. Notice and Consent - Master Lease.

(a) Landlord shall promptly send to Tenant copies of any notices received from Master Landlord including, without limitation, any notices concerning a default or alleged default under the Master Lease. Landlord shall use its best efforts to obtain compliance by Master Landlord under the Master Lease and, upon request by Tenant, shall exercise and enforce any rights that Landlord may have under the Master Lease, all at Landlord's sole cost and expense. Any breach or default of Landlord under the Master Lease and/or termination of the Master Lease by Landlord shall be deemed to be a default by Landlord under this Lease. Landlord shall not, during the term of this Lease, exercise any right that Landlord may have to cancel or terminate the Master Lease unless Tenant, in its sole discretion, has exercised any corresponding right that Tenant may have to cancel and terminate this Lease. Any such cancellation and termination by Landlord, without the aforesaid cancellation and termination of this Lease by Tenant, shall be deemed to be a default by Landlord under this Lease.

(b) If Master Landlord is required to obtain, or otherwise requests, the prior consent or approval of Landlord with respect to any matter, Landlord shall immediately notify Tenant thereof and request Tenant's approval to such matter. Landlord shall not grant its consent or approval to any such

matter unless Tenant has granted its consent or approval thereto. Tenant shall cooperate with Landlord to notify Landlord of its approval or disapproval to any such matter within any applicable time period; provided that Landlord gives Tenant reasonable advance notice thereof. Landlord shall not amend or otherwise modify the Master Lease without obtaining Tenant's prior written approval to any such amendment or modification.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Lease has been duly executed on the
day and year first above written.

WITNESS:

Ellen D. Stefano

LANDLORD:

ST. CLOUD ASSOCIATES, a
Pennsylvania limited partnership

By:

Adam Kauffman
Its: General Partner

TENANT:

CIRCUIT CITY STORES, INC., a
Virginia corporation

ATTEST:

Joseph V. Fogelman
Assistant Secretary

By:

Its:

IN WITNESS WHEREOF, the Brokers, by their respective
execution below, hereby consent and agree to the terms and
provisions of Paragraph 35 hereof.

WITNESS:

JOHN JOHANNSON, in his individual
capacity and on behalf of The Welsh
Companies

Date: _____

WITNESS:

ROGER LENAHAAN, in his individual
capacity and on behalf of The
Cambridge Group

Date: _____